

2005 DRAFTING REQUEST

Bill

Received: **12/16/2005**

Received By: **gmalaise**

Wanted: **Soon**

Identical to LRB:

For: **Financial Institutions 7-1719**

By/Representing: **Carrie Templeton**

This file may be shown to any legislator: **NO**

Drafter: **gmalaise**

May Contact:

Addl. Drafters:

Subject: **Higher Education - miscellaneous**

Extra Copies:

Submit via email: **YES**

Requester's email: **carrie.templeton@dfi.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

College savings program; separate trust funds for insured bank accounts and credit union accounts

Instructions:

Create separate trust funds for college savings account moneys deposited in bank accounts insured by the FDIC and credit union accounts insured by the NCUA.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	gmalaise 12/16/2005	kfollett 12/22/2005		_____			State
/1			chaugen 12/28/2005	_____	sbasford 12/28/2005		State
/2	gmalaise 01/19/2006	kfollett 01/24/2006	rschluet 01/24/2006	_____	sbasford 01/24/2006		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/3	gmalaie 01/30/2006	kfollett 01/31/2006	rschluet 01/31/2006	_____	sbasford 01/31/2006		State
/4	gmalaie 02/27/2006	kfollett 02/28/2006	rschluet 02/28/2006	_____	sbasford 02/28/2006	Inorthro 03/01/2006	

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jacket for
Sen Darling
per Gmm

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13/gf
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/?	gmalaise 12/16/2005	kfollett 12/22/2005					State
/1		12/19/05 1/24/06	chaugen 12/28/2005		sbasford 12/28/2005		

FE Sent For:

1246
<END>

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/?	gmalaise	11/16f 12/22	ch 12/28	ch 12/28 p28			
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FE Sent For:

<END>



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-4272/7

GMM. 1/1/06

Soon

NOTE

Gen

- 1 AN ACT ...; relating to: the establishment of a college savings program bank
2 deposit trust fund and a college savings program credit union deposit trust fund
3 and making appropriations,

belonging

Analysis by the Legislative Reference Bureau

Under current law, the College Savings Program Board (board) administers a college savings program, commonly referred to as "EdVest," under which a person may establish and contribute money to a college savings account to cover the college expenses of a beneficiary. As part of EdVest, current law establishes a college savings program trust fund, consisting of all revenue from enrollment fees for and contributions to college savings accounts and from distributions and fees paid by the vendors of those accounts, and requires the State of Wisconsin Investment Board (SWIB) to invest the moneys ~~belong~~ to that trust fund in a manner consistent with guidelines established by the board, unless those moneys are under the management and control of a vendor.

This bill establishes a college savings program bank deposit trust fund, consisting of all revenue from enrollment fees for and contributions to college savings accounts in which the investment instrument is an account insured by the Federal Deposit Insurance Corporation and from distributions and fees paid by the vendors of those investment instruments, and a college savings program credit union deposit trust fund, consisting of all revenue from enrollment fees for and contributions to college savings accounts in which the investment instrument is an account insured by the National Credit Union Administration and from distributions and fees paid by the vendors of those investment instruments, and requires SWIB to invest the moneys ~~belong~~ to those trust funds in a manner consistent with guidelines

ing

established by the board, unless those moneys are under the management and control of a vendor.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 14.65 (1) of the statutes is amended to read:

14.65 (1) The secretary of administration shall transfer from the tuition trust fund or, the college savings program trust fund, the college savings program bank deposit trust fund, or the college savings program credit union deposit trust fund to the general fund an amount equal to the amount expended from the appropriations under s. 20.505 (9) (a), 1995 stats., s. 20.585 (2) (a), 2001 stats., and s. 20.585 (2) (am), 2001 stats., when the secretary of administration determines that funds in the tuition trust fund or the college savings program trust fund those trust funds are sufficient to make the transfer. The secretary of administration may make the transfer in installments.

History: 2001 a. 16; 2003 a. 33.

SECTION 2. 20.585 (2) (t) (title) of the statutes is amended to read:

20.585 (2) (t) (title) *Payment of qualified higher education expenses and refunds; college savings program trust fund.*

History: 1971 c. 125; 1973 c. 334; 1975 c. 270; 1977 c. 29; 1977 c. 418 ss. 160, 192; 1979 c. 221, 328; 1981 c. 20; 1983 a. 408; 1985 a. 29; 1989 a. 31; 1991 a. 39; 1993 a. 16; 1995 a. 27 ss. 1074m, 1079m, 1080m, 1126g to 1139r; 1995 a. 201; 1997 a. 27; 1999 a. 9 ss. 587, 597m; 1999 a. 44; 2001 a. 7, 16; 2003 a. 33.

SECTION 3. 20.585 (2) (tm) (title) of the statutes is amended to read:

20.585 (2) (tm) (title) *Administrative expenses; college savings program trust fund.*

SECTION 4. 20.585 (2) (u) of the statutes is created to read:

20.585 (2) (u) *Payment of qualified higher education expenses and refunds; college savings program bank deposit trust fund.* From the college savings program

1 bank deposit trust fund, a sum sufficient for the payment of qualified higher
2 education expenses and refunds under s. 14.64 (2) and (3).

3 **SECTION 5.** 20.585 (2) (um) of the statutes is created to read:

4 20.585 (2) (um) *Administrative expenses; college savings program bank deposit*
5 *trust fund.* From the college savings program bank deposit trust fund, the amounts
6 in the schedule for the administrative expenses of the college savings program under
7 s. 14.64, including the expense of promoting the program.

8 **SECTION 6.** 20.585 (2) (v) of the statutes is created to read:

9 20.585 (2) (v) *Payment of qualified higher education expenses and refunds;*
10 *college savings program credit union deposit trust fund.* From the college savings
11 program credit union deposit trust fund, a sum sufficient for the payment of qualified
12 higher education expenses and refunds under s. 14.64 (2) and (3).

13 **SECTION 7.** 20.585 (2) (vm) of the statutes is created to read:

14 20.585 (2) (vm) *Administrative expenses; college savings program credit union*
15 *deposit trust fund.* From the college savings program credit union deposit trust fund,
16 the amounts in the schedule for the administrative expenses of the college savings
17 program under s. 14.64, including the expense of promoting the program.

18 **SECTION 8.** 25.14 (1) (a) 15b. of the statutes is created to read:

19 25.14 (1) (a) 15b. The college savings program bank deposit trust fund.

20 **SECTION 9.** 25.14 (1) (a) 15d. of the statutes is created to read:

21 25.14 (1) (a) 15d. The college savings program credit union deposit trust fund.

22 **SECTION 10.** 25.17 (1) (ax) of the statutes is amended to read:

25.17 (1) (ax) College savings program trust fund (s. 25.85), but subject to s.
25.17 sub. (2) (f);

History: 1971 c. 41 s. 12; 1971 c. 74; 1971 c. 100 s. 23; 1971 c. 125 s. 522 (1); 1971 c. 164; 1971 c. 214 s. 147; 1971 c. 260 s. 92 (3) to (5); 1973 c. 117, 137, 151; 1973 c. 208 s. 17; 1973 c. 209, 333, 336; 1975 c. 26, 27, 39, 118, 147, 164, 180, 189, 200, 422; 1977 c. 29 ss. 439 to 439f, 1654 (1); 1977 c. 31, 107, 377, 418, 423; 1979 c. 32; 1979 c. 34 ss. 705 to 707b, 2102 (56) (a); 1979 c. 102; 1979 c. 109 s. 16; 1979 c. 221; 1979 c. 318 ss. 1 to 3; 1979 c. 361 s. 113; 1981 c. 20, 86; 1981 c. 96 ss. 18 to 21, 67; 1981 c. 169, 386; 1983 a. 27; 1983 a. 36 ss. 31, 96 (4); 1983 a. 81 s. 11; 1983 a. 83 s. 20; 1983 a. 142, 189, 192, 368, 410; 1985 a. 25, 29, 53, 120; 1985 a. 332 s. 251 (1); 1987 a. 27, 38, 119, 186, 252, 399; 1989 a. 13, 31, 64, 187, 307, 335, 359, 366; 1991 a. 32, 38, 39, 152, 174, 221, 269, 315; 1993 a. 16, 112, 263, 477; 1995 a. 27 ss. 1394m to 1396, 9116 (5); 1995 a. 56, 213, 227, 274, 403; 1997 a. 27, 35, 191; 1999 a. 9, 11, 63, 65, 83, 167, 196; 2001 a. 7, 13, 16, 92, 104, 109; 2003 a. 33, 35, 48, 91, 111, 299; 2005 a. 1, 22, 25.

SECTION 11. 25.17 (1) (ay) of the statutes is created to read:

25.17 (1) (ay) College savings program bank deposit trust fund (s. 25.853), but
subject to sub. (2) (f);

SECTION 12. 25.17 (1) (az) of the statutes is created to read:

25.17 (1) (az) College savings program credit union deposit trust fund (s.
25.855), but subject to sub. (2) (f);

SECTION 13. 25.17 (2) (f) of the statutes is amended to read:

25.17 (2) (f) Invest the moneys belonging to the college savings program trust
fund, the college savings program bank deposit trust fund, and the college savings
program credit union deposit trust fund in a manner consistent with the guidelines
established under s. 14.64 (2) (c), unless the moneys are under the management and
control of a vendor selected under s. 16.255. In making investments under this
paragraph, the investment board shall accept any reasonable terms and conditions
that the college savings program board specifies and is relieved of any obligations
relevant to prudent investment of the fund, including the standard of responsibility
under s. 25.15 (2).

History: 1971 c. 41 s. 12; 1971 c. 74; 1971 c. 100 s. 23; 1971 c. 125 s. 522 (1); 1971 c. 164; 1971 c. 214 s. 147; 1971 c. 260 s. 92 (3) to (5); 1973 c. 117, 137, 151; 1973 c. 208 s. 17; 1973 c. 209, 333, 336; 1975 c. 26, 27, 39, 118, 147, 164, 180, 189, 200, 422; 1977 c. 29 ss. 439 to 439f, 1654 (1); 1977 c. 31, 107, 377, 418, 423; 1979 c. 32; 1979 c. 34 ss. 705 to 707b, 2102 (56) (a); 1979 c. 102; 1979 c. 109 s. 16; 1979 c. 221; 1979 c. 318 ss. 1 to 3; 1979 c. 361 s. 113; 1981 c. 20, 86; 1981 c. 96 ss. 18 to 21, 67; 1981 c. 169, 386; 1983 a. 27; 1983 a. 36 ss. 31, 96 (4); 1983 a. 81 s. 11; 1983 a. 83 s. 20; 1983 a. 142, 189, 192, 368, 410; 1985 a. 25, 29, 53, 120; 1985 a. 332 s. 251 (1); 1987 a. 27, 38, 119, 186, 252, 399; 1989 a. 13, 31, 64, 187, 307, 335, 359, 366; 1991 a. 32, 38, 39, 152, 174, 221, 269, 315; 1993 a. 16, 112, 263, 477; 1995 a. 27 ss. 1394m to 1396, 9116 (5); 1995 a. 56, 213, 227, 274, 403; 1997 a. 27, 35, 191; 1999 a. 9, 11, 63, 65, 83, 167, 196; 2001 a. 7, 13, 16, 92, 104, 109; 2003 a. 33, 35, 48, 91, 111, 299; 2005 a. 1, 22, 25.

SECTION 14. 25.85 of the statutes is amended to read:

25.85 College savings program trust fund. There is established a separate
nonlapsible trust fund designated as the college savings program trust fund,

1 consisting of all revenue from enrollment fees for and contributions to college savings
2 accounts under s. 14.64 and from distributions and fees paid by the vendor under s.
3 16.255 (3) other than revenue from those sources that is deposited in the college
4 savings program bank deposit trust fund or the college savings program credit union
5 deposit trust fund.

History: 2001 a. 7.

6 **SECTION 15.** 25.853 of the statutes is created to read:

7 **25.853 College savings program bank deposit trust fund.** There is
8 established a separate nonlapsible trust fund designated as the college savings
9 program bank deposit trust fund, consisting of all revenue from enrollment fees for
10 and contributions to college savings accounts under s. 14.64 in which the investment
11 instrument is an account insured by the Federal Deposit Insurance Corporation and
12 from distributions and fees paid by the vendors of those investment instruments
13 under s. 16.255 (3).

14 **SECTION 16.** 25.855 of the statutes is created to read:

15 **25.855 College savings program credit union deposit trust fund.** There
16 is established a separate nonlapsible trust fund designated as the college savings
17 program credit union deposit trust fund, consisting of all revenue from enrollment
18 fees for and contributions to college savings accounts under s. 14.64 in which the
19 investment instrument is an account insured by the National Credit Union
20 Administration and from distributions and fees paid by the vendors of those
21 investment instruments under s. 16.255 (3).

22 (END)

D-Note

2005

Insert 2-101

LRB _____ / _____

File With Statute **20.005 (3)** Schedule

_____ : _____ : _____

\$\$\$ SCHEDULE

In the component bar:

For the action phrase, execute: create → action: → ch20

For the table layout, execute: create → <Table> → \$sched

SECTION #. 20.005 (3) (schedule) of the statutes: at the appropriate place,

insert the following amounts for the purposes indicated:

2005-06

2006-07

20. 585 Treasurer, State
.....

(2) COLLEGE TUITION AND EXPENSES AND
COLLEGE SAVINGS PROGRAMS

^{um}
(um) Administrative expenses; college savings
Program bank account

deposit trust fund SEG A - 0 - - 0 -

20. _____

()
.....

^{vm}
(vm) Administrative expenses; college savings
program credit union

deposit trust fund SEG A - 0 - - 0 -

(edit insert)

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

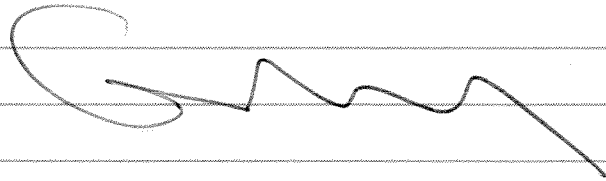
Date

Gmm: kpf

NOTE

Carrie
Carrie:

This draft includes appropriation schedule entries for the sum certain administrative expenses, appropriations s. 20.585 (2)(um) and (vm), created by the draft, but specifies "\$0-" for expenditure in fiscal years 2005-06 and 2006-07. When you know the dollar amounts that you want for those appropriations, please advise and I will either redraft the proposal or draft an amendment, whichever is appropriate.



DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4272/1dn
GMM:kjf:ch

December 28, 2005

Carrie:

This draft includes appropriation schedule entries for the sum certain administrative expenses appropriations, s. 20.585 (2) (um) and (vm), created by the draft, but specifies "\$-0-" for expenditure in fiscal years 2005-06 and 2006-07. When you know the dollar amounts that you want for those appropriations, please advise and I will either redraft the proposal or draft an amendment, whichever is appropriate.

Gordon M. Malaise
Senior Legislative Attorney
Phone: (608) 266-9738
E-mail: gordon.malaise@legis.state.wi.us

Malaise, Gordon

From: Templeton, Carrie
Sent: Thursday, January 19, 2006 10:57 AM
To: Malaise, Gordon
Subject: Revisions to LRB-4272

Hi Gordon:

Thanks for the quick turnaround on LRB-4272. If at all possible, we'd appreciate a quick turnaround on these few drafting changes to the bill. Session will be ending before we know it!

We would like to add to both the bank trust fund and credit union trust fund definitions as follows (I've put the suggested additional language in red):

SECTION 16. 25.853 of the statutes is created to read:

25.853 College savings program bank deposit trust fund. There is established a separate nonlapsible trust fund designated as the college savings program bank deposit trust fund, consisting of all revenue from enrollment fees for and contributions to college savings accounts under s. 14.64 in which the investment instrument is an account insured by the Federal Deposit Insurance Corporation, held by any state bank, federal or state savings and loan association, savings and trust company and federal or state savings bank or national bank, if the financial institution has a branch or main office located in this state, and from distributions and fees paid by the vendors of those investment instruments under s. 16.255 (3).

SECTION 17. 25.855 of the statutes is created to read:

25.855 College savings program credit union deposit trust fund. There is established a separate nonlapsible trust fund designated as the college savings program credit union deposit trust fund, consisting of all revenue from enrollment fees for and contributions to college savings accounts under s. 14.64 in which the investment instrument is an account insured by the National Credit Union Administration, held by a federal or state credit union with a branch or main office located in this state, including but not limited to a corporate central credit union as defined by Chapter 18.32, and from distributions and fees paid by the vendors of those investment instruments under s. 16.255 (3).

organized under
§ 186.32

****We are attempting to limit the investments to financial institutions with locations in our state**

The final change would be to insert in the bill language indicating that brokered deposits could not be part of these new trust funds. I'm not certain where that should be inserted into the bill, but our suggested language would be:

"Brokered deposits, as defined by 12 CFR 337.6(2) are prohibited."

FYI: the definition of brokered deposit contained in 12 CFR 337.6(2) is: Brokered deposit means any deposit that is obtained, directly or indirectly, from or through the mediation or assistance of a deposit broker.

Thank you for drafting this for DFI. Please contact me with any questions.
Carrie

Carrie Templeton
Department of Financial Institutions
(608) 264-7800
carrie.templeton@dfi.state.wi.us



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-4272/1

GMM:kjf/ak

DN05E

Week 2 1/23

2005 BILL

Regen

1 AN ACT *to amend* 14.65 (1), 20.585 (2) (t) (title), 20.585 (2) (tm) (title), 25.17 (1)
2 (ax), 25.17 (2) (f) and 25.85; and *to create* 20.585 (2) (u), 20.585 (2) (um), 20.585
3 (2) (v), 20.585 (2) (vm), 25.14 (1) (a) 15b., 25.14 (1) (a) 15d., 25.17 (1) (ay), 25.17
4 (1) (az), 25.853 and 25.855 of the statutes; **relating to:** the establishment of a
5 college savings program bank deposit trust fund and a college savings program
6 credit union deposit trust fund and making appropriations.

Analysis by the Legislative Reference Bureau

Under current law, the College Savings Program Board (board) administers a college savings program, commonly referred to as "EdVest," under which a person may establish and contribute money to a college savings account to cover the college expenses of a beneficiary. As part of EdVest, current law establishes a college savings program trust fund, consisting of all revenue from enrollment fees for and contributions to college savings accounts and from distributions and fees paid by the vendors of those accounts, and requires the State of Wisconsin Investment Board (SWIB) to invest the moneys belonging to that trust fund in a manner consistent with guidelines established by the board, unless those moneys are under the management and control of a vendor.

This bill establishes a college savings program bank deposit trust fund, consisting of all revenue from enrollment fees for and contributions to college savings accounts in which the investment instrument is an account insured by the Federal

BILL

Deposit Insurance Corporation, and from distributions and fees paid by the vendors of those investment instruments, and a college savings program credit union deposit trust fund, consisting of all revenue from enrollment fees for and contributions to college savings accounts in which the investment instrument is an account insured by the National Credit Union Administration, and from distributions and fees paid by the vendors of those investment instruments, and requires SWIB to invest the moneys belonging to those trust funds in a manner consistent with guidelines established by the board, unless those moneys are under the management and control of a vendor.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 14.65 (1) of the statutes is amended to read:

14.65 (1) The secretary of administration shall transfer from the tuition trust fund ~~or, the college savings program trust fund, the college savings program bank deposit trust fund, or the college savings program credit union deposit trust fund~~ to the general fund an amount equal to the amount expended from the appropriations under s. 20.505 (9) (a), 1995 stats., s. 20.585 (2) (a), 2001 stats., and s. 20.585 (2) (am), 2001 stats., when the secretary of administration determines that funds in the ~~tuition trust fund or the college savings program trust fund~~ those trust funds are sufficient to make the transfer. The secretary of administration may make the transfer in installments.

SECTION 2. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

2005-06

2006-07

20.585 **Treasurer, state**

(2) COLLEGE TUITION AND EXPENSES AND COLLEGE SAVINGS PROGRAMS

and held by a state or federal credit union, including a corporate central credit union, that has its home office or a branch office located in this state;

↓ The bill also establishes

Further
the bill

BILL

2005-06 2006-07

1 (um) Administrative expenses; college

2 savings program bank deposit

3 trust fund

SEG A

-0-

-0-

4 (vm) Administrative expenses; college

5 savings program credit union

6 deposit trust fund

SEG A

-0-

-0-

7 **SECTION 3.** 20.585 (2) (t) (title) of the statutes is amended to read:8 20.585 (2) (t) (title) *Payment of qualified higher education expenses and*
9 *refunds; college savings program trust fund.*10 **SECTION 4.** 20.585 (2) (tm) (title) of the statutes is amended to read:11 20.585 (2) (tm) (title) *Administrative expenses; college savings program trust*
12 *fund.*13 **SECTION 5.** 20.585 (2) (u) of the statutes is created to read:14 20.585 (2) (u) *Payment of qualified higher education expenses and refunds;*
15 *college savings program bank deposit trust fund. From the college savings program*
16 *bank deposit trust fund, a sum sufficient for the payment of qualified higher*
17 *education expenses and refunds under s. 14.64 (2) and (3).*18 **SECTION 6.** 20.585 (2) (um) of the statutes is created to read:19 20.585 (2) (um) *Administrative expenses; college savings program bank deposit*
20 *trust fund. From the college savings program bank deposit trust fund, the amounts*
21 *in the schedule for the administrative expenses of the college savings program under*
22 *s. 14.64, including the expense of promoting the program.*23 **SECTION 7.** 20.585 (2) (v) of the statutes is created to read:

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1 20.585 (2) (v) *Payment of qualified higher education expenses and refunds;*
2 *college savings program credit union deposit trust fund.* From the college savings
3 program credit union deposit trust fund, a sum sufficient for the payment of qualified
4 higher education expenses and refunds under s. 14.64 (2) and (3).

5 **SECTION 8.** 20.585 (2) (vm) of the statutes is created to read:

6 20.585 (2) (vm) *Administrative expenses; college savings program credit union*
7 *deposit trust fund.* From the college savings program credit union deposit trust fund,
8 the amounts in the schedule for the administrative expenses of the college savings
9 program under s. 14.64, including the expense of promoting the program.

10 **SECTION 9.** 25.14 (1) (a) 15b. of the statutes is created to read:

11 25.14 (1) (a) 15b. The college savings program bank deposit trust fund.

12 **SECTION 10.** 25.14 (1) (a) 15d. of the statutes is created to read:

13 25.14 (1) (a) 15d. The college savings program credit union deposit trust fund.

14 **SECTION 11.** 25.17 (1) (ax) of the statutes is amended to read:

15 25.17 (1) (ax) College savings program trust fund (s. 25.85), but subject to s.
16 ~~25.17~~ sub. (2) (f);

17 **SECTION 12.** 25.17 (1) (ay) of the statutes is created to read:

18 25.17 (1) (ay) College savings program bank deposit trust fund (s. 25.853), but
19 subject to sub. (2) (f);

20 **SECTION 13.** 25.17 (1) (az) of the statutes is created to read:

21 25.17 (1) (az) College savings program credit union deposit trust fund (s.
22 25.855), but subject to sub. (2) (f);

23 **SECTION 14.** 25.17 (2) (f) of the statutes is amended to read:

24 25.17 (2) (f) Invest the moneys belonging to the college savings program trust
25 fund, the college savings program bank deposit trust fund, and the college savings

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program credit union deposit trust fund in a manner consistent with the guidelines established under s. 14.64 (2) (c), unless the moneys are under the management and control of a vendor selected under s. 16.255. In making investments under this paragraph, the investment board shall accept any reasonable terms and conditions that the college savings program board specifies and is relieved of any obligations relevant to prudent investment of the fund, including the standard of responsibility under s. 25.15 (2).

SECTION 15. 25.85 of the statutes is amended to read:

25.85 College savings program trust fund. There is established a separate nonlapsible trust fund designated as the college savings program trust fund, consisting of all revenue from enrollment fees for and contributions to college savings accounts under s. 14.64 and from distributions and fees paid by the vendor under s. 16.255 (3) other than revenue from those sources that is deposited in the college savings program bank deposit trust fund or the college savings program credit union deposit trust fund.

SECTION 16. 25.853 of the statutes is created to read:

25.853 College savings program bank deposit trust fund. There is established a separate nonlapsible trust fund designated as the college savings program bank deposit trust fund, consisting of all revenue from enrollment fees for and contributions to college savings accounts under s. 14.64 in which the investment instrument is an account insured by the Federal Deposit Insurance Corporation and from distributions and fees paid by the vendors of those investment instruments under s. 16.255 (3).

SECTION 17. 25.855 of the statutes is created to read:

, and held by a state or national bank, a state or federal savings bank, a state or federal savings and loan association, or a savings and trust company that has its main office or home office or a branch office in this state,

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1 **25.855 College savings program credit union deposit trust fund.** There
 2 is established a separate nonlapsible trust fund designated as the college savings
 3 program credit union deposit trust fund, consisting of all revenue from enrollment
 4 fees for and contributions to college savings accounts under s. 14.64 in which the
 5 investment instrument is an account insured by the National Credit Union
 6 Administration, and from distributions and fees paid by the vendors of those
 7 investment instruments under s. 16.255 (3).

(END)

, and held by a state or
 federal credit union, including
 central
 a corporate central credit
 union organized under s.
 186.32, that has its main office
 or home office or a branch office
 located in this state,

An account that is obtained, directly
 or indirectly, from or through the
~~institution~~
~~brokered deposits, as defined~~
~~in 12 CFR 337.6(2)~~
 deposit broker
 may not be deposited in
 the college savings
 program credit union
 deposit trust funds.

DN-TE Date

LRB-4272/2dn
Gmm:kjf

Carrie:

Because

Because the definition of

~~financial~~ financial

"brokered

deposit" in 12 CFR

337.6(2) applies only to FDIC-insured institutions and not to NCUA-insured
 credit unions, this draft describes brokered deposits generically rather than
 by reference to the FDIC definition.

Gmm

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4272/2dn
GMM:kjf:rs

January 24, 2006

Carrie:

Because the definition of "brokered deposit" in 12 CFR 337.6 (2) applies only to FDIC-insured financial institutions and not to NCUA-insured credit unions, this draft describes brokered deposits generically rather than by reference to the FDIC definition.

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